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ABSTRACT

One of the most frequently-voiced concerns in the growing debate over education finance reform involves the issue of autonomy of local school groups. Academics, school district superintendents, legislators, parents' groups, and teachers have all expressed the view that increased State aid to education inevitably will bring Statewide regulations and reduce local control. This preliminary study suggests that there is no relationship between the degree of State control and the proportion of State aid. In ten States with different levels of State aid, 11 dimensions of State control over local school board decisionmaking are examined, including curricular requirements; budgetary and taxing restrictions; State regulation of federal programs; regulations affecting personnel; and regulations concerning district formation, annexation, and consolidation. The study also includes a less detailed analysis of the relationship among the rate at which innovative educational practices were adopted in a State, the degree of State controls, and the level of State aid. Tentative findings indicate little correlation between the degree of State control and the rate at which innovations are adopted, but a positive relationship between the assumption by the State of a larger share of total nonfederal education support and a high rate of innovation. (Author)

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Levels of State Aid Related to State Restrictions on Local School District Decision-making

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ABSTRACT

One of the most frequently-voiced concerns in the growing debate over education finance reform involves the issue of autonomy of local school boards. Academics, school district superintendents, legislators, parents' groups, and teachers have all expressed the view that increased state aid to education inevitably will bring statewide regulations and reduce local control.

The lack of empirical data to prove or disprove this view has inhibited discussion of education finance reform. This study, although preliminary in nature, suggests that there is no relationship between the degree of state control and the proportion of state aid. In ten states with different levels of state aid, eleven dimensions of state control over local school board decision-making are examined, including curricular requirements, budgetary and taxing restrictions, state regulation of federal programs, regulations affecting personnel, and regulations concerning district formation, annexation, and consolidation.

The study also includes a less detailed analysis of the relationship between the rate at which innovative educational practices were adopted in a state, the degree of state controls, and the level of state aid. The tentative findings are that there is little correlation between degree of state control and the rate at which innovations are adopted but there is a positive relationship between the assumption by the state of a larger share of total non-federal education support and a high rate of innovation.

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INTRODUCTION

A common assumption in studies of education finance is that increased state funding inevitably involves increased state control over local educational policy.[1] This belief has often been expressed by academics, educators, legislators, and lay citizens in discussions concerning possible changes in present school finance systems.[2] It is frequently used as a major argument to oppose greater state financial contributions to local school districts. This has been a potent debating point because local control over educational curriculum, personnel, budget, and a variety of

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1. For the past two decades, writers in the area of education finance have generally assumed that an increase in the proportion of state aid for education relative to local aid would bring about an increase in the degree of state control over education. See, e.g., Jesse Burkhead, Public School Finance: Economics and Politics, Syracuse, Syracuse University Press, 1964 and James D. Koerner, Who Controls American Education? Boston, Beacon Press, 1968. Two authors indicate that, in theory, increasing the level of state funding need not necessarily mean an increase in state control. They feel, however, that in practice, high levels of state funding do correspond with a high degree of state control. Arvid Burke, Financing Public Schools in the United States, New York, Harper & Row, 1951; Holmstedt, "Fiscal Controls," Problems and Issues in Public School Finance, Proceedings of the National Conference of Professors of Educational Administration, ed. Roe L. Johns and Edgar Morphet, New York, Teachers College of Columbia University, 1952. H. Thomas James, in "The Financing of Elementary and Secondary Education," Public Administration Review, July/August 1970, suggests that the growing demand for "accountability" will ensure that if state funding increases, state control of schools will also increase.

2. See Michael Cohen, Betsy Levin & Richard Beaver, "The Political Limits to School Finance Reform," Paper _____, Washington, D.C., The Urban Institute, February 1973.

school-related issues is widely regarded by Americans as an essential factor in maintaining excellence in education.

The proponents of local control assert that it stimulates and sustains the interest of the parents and the local community in the education of their children. Further, it permits and encourages the adaptation of educational programs to meet the changing needs of a particular community. Local control is also thought to be a necessary condition for experimentation and innovation in education. Increased state financial contributions to local districts are supposed to signal the end of local control and the establishment of uniform, statewide regulations concerning education. It is important, therefore, to examine the validity of this axiom in American education. This was done by undertaking a brief review of eleven dimensions of possible state control over local education decisions in ten states.[3] The following dimensions (grouped into five major types) were examined:

TYPE I. Curricular Requirements

1. Textbook Controls
2. Course Requirements

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3. Little empirical work has been done to date to demonstrate the existence of any relationship between level of state funding and the degree of state control over local school districts. One of the few such studies, based on 1950 data, examined eleven mid-western states and found no consistent pattern between the amount of support provided by the state and the degree of state-imposed controls. This work is limited, however, not only because data on which it is based is now more than twenty years old, but also because the researchers looked only at the number of controls rather than at their relative degree of restriction. John G. Fowlkes and George E. Watson, School Finance and Local Planning, Chicago, Midwest Administration Center, 1957.

TYPE II. Budgetary and Taxing Restrictions

3. Budget Controls

4. Tax Limitations

5. Bonded Indebtedness

TYPE III. State Regulation of Federal Programs

6. Title I Regulations

TYPE IV. Regulations Affecting Personnel

7. Salary Regulations

8. Teacher Certification

9. Teacher Tenure

10. Collective Bargaining

TYPE V. Jurisdictional Boundaries

11. District Formation, Annexation, and Consolidation

State laws and regulations concerning each of the dimensions were compared and scaled according to the degree of restriction (strong, moderate, or weak) they placed on local districts. Each dimension was weighted equally in the final computation of a statewide "restriction score."[4] The following ten states were included in the analysis because they represent different

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4. Given the different concerns of local districts for control over curriculum, teachers, or financial arrangements, it was decided that giving more weight to one type of restriction over another would not accurately reflect the value various districts might place on relief from such controls. Instead, the weighting would represent the subjective judgments of the researchers. Moreover, when individual restrictions were weighted differentially, no significant differences in relative degree of restriction were found. The states remained in essentially the same rank order in terms of restrictions placed upon local district decision-making.

levels of state funding: California, Colorado, Delaware, Kansas, Michigan, New Hampshire, New York, North Carolina, South Dakota and Washington. They were divided into high, moderate, and low state aid categories, according to their percentage of state funding relative to total state-local expenditures for education in the state, as shown in Table 1.

The preliminary nature of this study did not permit evaluation of the actual implementation of the legislative and regulatory controls over local education decisions in the ten states. Nevertheless, several significant findings based on a review of the legislation and regulations in these states, emerge from the analysis:

1. State statutes and regulations sharply limit the degree of local board autonomy--although this varies widely between states and within the eleven dimensions surveyed--in the majority of states examined.[5]

2. There is little direct relationship between the percentage of state aid provided and the degree of state restrictions on the operation of local school boards.

These findings, which will be documented below, challenge the belief that increased state funding inevitably brings increased state controls. While state restrictions in some dimensions, such as budget controls, may increase as the state percentage of funding for local education increases, there is no uniform pattern which can be identified across the dimensions studied. The second section of this paper presents an analysis of each

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5. The authors of this paper wish to emphasize the preliminary nature of this finding, which is based solely on the enactment of statutes and the formal adoption of regulations and not on their enforcement.

TABLE 1

STATES SELECTED FOR STUDY

STATES	STATE AID AS PERCENT OF TOTAL STATE-LOCAL EDUCATION FUNDING* (1969-70)
High State Aid	
North Carolina	77.8%
Delaware	77.0%
Washington	60.6%
Moderate State Aid	
New York	48.7%
Michigan	46.9%
California	39.4%
Low State Aid	
Kansas	33.2%
Colorado	30.1%
South Dakota	14.8%
New Hampshire	8.7%

*Derived from data in Table 9 in National Education Association, Research Division, Estimates of School Statistics, 1970-71, Research Report 1970-R15, Washington, D.C., The Association, 1970.

dimension, providing examples of the range of varieties of restrictions within the ten-state sample.

In addition to this analysis of the laws and regulations affecting local autonomy, an attempt was made to discover possible relationships between innovation and percentage of state funding of education. This was done by examining data derived from a 1967 study on the incidence of locally-adopted innovations in 7,237 high schools in 50 states. The resulting analysis, presented in the third section, suggests some alternative hypotheses to explain the degree of state restriction in states with varying percentages of state funding. These hypotheses are summarized in the fourth section of this paper.

ANALYSIS OF STATE EDUCATION LAWS AND REGULATIONS

This section briefly examines each of the eleven aspects of state restrictions on the autonomy of local school boards selected for study. The state laws and regulations utilized in this study are listed at the end of this paper.

TYPE I. Curricular Requirements

Textbook Controls. Each of the ten states studied delegates power to a statewide body, usually a state board of education, to outline a course of study for the schools in the state. As part of this broad power, some states have established requirements for state selection or screening of textbooks used in classrooms. Delaware, North Carolina, California, and Kansas all exercise direct control over the choice of textbooks by local

districts.[6] Although there are variations across states, no consistent relationship between the percentage share of state funds for education and the existing laws or regulations limiting the flexibility of local school districts in their selection of textbooks could be discerned. For example, the two most restrictive states in terms of textbook requirements imposed at the state level are North Carolina, a high state aid state, and Kansas, a low state aid state.

Course Requirements. Another controversial area of possible state control involves the specification of required courses or the teaching of certain subjects. All ten states have some mandatory courses, usually those on state and American history, on health and, more recently, on alcohol and narcotics. These requirements are in addition to the usual requirements of English, mathematics, and science which are found at all levels of primary and secondary education. It is important to note, however, that these general course requirements exist without any observable relationship to the percentage of state funding of local education. New York's requirements in the area of curriculum are the most extensive of any of the states studied.[7] The number of mandatory courses specified by the legislature is

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6. The percentage of state education revenues in these states ranges from 79.5 percent to 28.1 percent.

7. For example, the New York Legislature requires that the subjects of highway safety, fire prevention, humane treatment of animals, alcoholism and narcotics abuse, patriotism and citizenship be taught to all students. The first eight grades must include courses in mathematics, reading, spelling, English, geography, U.S. history, history of New York State, civics, hygiene, physical education, and science. In accordance with regulations promulgated by the State Commissioner, under legislative authorization, the high school curriculum must have a minimum of four units of English, three units of social studies (including one year of American History), one unit of science--which must be given in the ninth grade, and a half unit each of health and physical education.

also quite high in California. (California is the only state of those studied that requires the establishment of a kindergarten program in every district with an elementary school or schools.) Yet both of these states provide a moderate level of state aid. Delaware and Washington, on the other hand, both high state aid states, have relatively few mandatory courses.

TYPE II. Budgetary and Taxing Restrictions

Budget Controls. As might be expected, there is a more direct relationship between the level of state aid and budget controls than was found in most of the other areas examined. Nevertheless, this relationship is not totally consistent. Both Kansas and California, low and moderate aid states respectively, exercise a relatively high degree of state control over budgetary procedures.

State imposed requirements in this area are far more diverse than in matters of curriculum. Among the factors examined were specification of the permissible ratio between the amounts in each of the major line items in the school district budget, total expenditure limitations, and budgetary controls retained by higher levels of government--such as counties, which are arms of the state. Delaware, North Carolina (both high aid states), California (a moderate aid state), and Colorado and Kansas (low aid states) appear to be the most restrictive in terms of local budgetary discretion.[8] New Hampshire and South Dakota are the least restrictive in this area.

An interesting aspect of state-imposed budget controls is the varying treatment by some states of school districts of different size. Washington

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8. In Colorado, a local school board can transfer unencumbered funds from one function to another only "in event of a contingency caused by an act of God, any act of a public enemy, or some event which could not have been reasonably foreseen at the time of the adoption of the budget."

places more restrictions on small school districts (under 10,000 population) than it does on larger ones, while New York imposes more restrictions on New York City than on any other school district in the state. In the State of Washington, for example, the smaller school districts are required to submit their budgets to the intermediate (now county-level) school district superintendent and a budgetary review committee for review and approval. This committee can alter the local district budget as it sees fit.[9] In New York State, the law requires that with regard to cities of 1 million or over in population, if the requested budget is less than $4.9 million, the city shall appropriate that amount.

In sum, while there is some relationship between percent of funds provided by the state and the degree of budget controls imposed upon local boards, this relationship is not consistent and cannot be said to be directly attributable to higher levels of state support for education.

Tax Limitations. State restraints on local district autonomy in the area of raising local revenues fall into two principal categories: (1) statutory maximums for local tax rates (either absolute or which can be overridden by the voters of the district) and (2) size of the majority vote required to override statutory tax rate limits. Local district voter

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9. Washington, as well as several other states, imposes other kinds of requirements on small school districts not imposed upon other districts in the state. For example, while the larger school districts are permitted to fill their own school board vacancies, in the case of third class districts in Washington (generally school districts without high schools), the intermediate superintendent fills any vacancies that occur on the local school district board.

approval of tax levies is required to some extent in all ten states.[10] In some cases, voter approval is necessary for any local levy (as in Delaware), but there is no restriction on the local tax rate. Other states set a maximum tax rate, which can be exceeded only upon approval by the local district voters. Finally, some states (such as Michigan and North Carolina) have a maximum tax limit which cannot be exceeded regardless of voter approval.

The State of New York varies in the extent of its restrictions on taxation, depending upon the type of district. The state sets no limits on the tax rate for non-city school districts, the rate being left up to approval by a majority of district voters. For cities under 125,000 in population, voter approval is required for a specified millage increase up to a maximum, which cannot be exceeded regardless of voter approval. With regard to the six city school districts over 125,000, a maximum millage is also imposed, but the municipal authorities set the tax rate within this maximum without having to go to the voters at all.

There appears to be no discernable pattern relating the degree of tax limitations to levels of state school funding. In terms of absolute statutory maximums which cannot be overridden even with voter approval, the most restrictive states appear to be two moderate aid states, Michigan and New York (with the exception of its non-city school districts). Colorado, a low aid state, ranks just behind these two states. Although the school district electorate can eventually override the state maximum, any amount

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10. In New York State, cities over 125,000 are fiscally dependent, meaning the school budget is part of the municipal budget and is not voted upon by the citizens. Wilmington, Delaware is also a fiscally dependent school district as are 9 districts in New Hampshire.

over the maximum must first be submitted for approval to a state tax commission.[11] The least restrictive states appear to be New Hampshire (low state aid) and Delaware (high state aid).

With regard to the size of the vote required to override statutory maximums, while most of the states studied require only a simple majority, several states require a 60 to 75 percent majority. Two such states are low aid states (Kansas and South Dakota) and the third is a high aid state (Washington). Again, there appears to be no discernable pattern of control which could be related to the level of state funding.

Bonded Indebtedness. As in the case of other dimensions of state control examined, the range in debt limitations varies significantly across the ten states studied. In the high state aid states, the debt limitations range from 5 percent to 10 percent of assessed valuation and the requisite voter approval ranges from a simple majority to 60 percent; in the moderate aid states, the debt limitations range from 5 percent to 15 percent and the voter approval required ranges from a simple majority to 66 2/3 percent; and in the low aid states, the debt limitations range from 6 percent to 10 percent, and the required approval from a simple majority to 66 2/3 percent. Thus, no clear pattern between the level of state aid and the degree of limitations is discernable.

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11. Colorado permits its local school districts to tax at a rate which will raise no more than 5 percent over the revenues raised the previous year. The State Tax Commission must approve anything beyond that amount. If the Commission does not give its approval to exceed the maximum allowable rate, then the issue can be submitted to the voters of that district.

TYPE III. State Regulation of Federal Programs

Title I Regulations. A survey of regulations governing the use of Title I funds[12] reveals significant variations among the ten states. All states are supposed to follow the U.S. Office of Education regulations but these regulations are sometimes augmented by state requirements. In all three high state aid states and in all of the low state aid states with the one exception of Kansas, federal regulations are the sole guidelines for approving Title I projects or are supplemented only very slightly by state regulations.

The most restrictive state regulations for the use of Title I funds are found in California,[13] New York, and Michigan (the three moderate aid states in this study). All three states require concentration of funds in a limited number of districts and schools and an emphasis on elementary rather than secondary education.

There thus appears to be no consistent relationship between the percentage of state funding and the degree of state controls imposed on the use of Title I funds.

TYPE IV. Regulations Affecting Personnel

Salary Regulations. Regulations concerning the salaries of school employees are somewhat related to the proportion of state funding of

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12. Title I of the Elementary and Secondary Education Act of 1965: federal financial assistance to local educational agencies for the education of children from low income families or from families who are welfare recipients.

13. California also restricts the use of other federal funds. For example, in the case of Title III money, the state specifies both the percentage which can be used for various types of projects, and the priority areas for such projects.

education. Both Delaware and North Carolina, high aid states, have statewide salary schedules. However, local districts in these two states are allowed unlimited supplementation of these schedules through local revenues. While state salary schedules may tend to encourage the maintenance of ratios among various types and experience levels of personnel, thereby limiting the degree of local autonomy over salary questions, many districts in these two states do depart from the schedule, both in terms of absolute amount and in terms of the ratios between the various levels of education and experience.

In spite of these two cases, however, the relationship between the degree of restriction and the percentage of state aid is far from perfect. Washington, a high aid state, has no salary restrictions whatsoever, while both New York and California, moderate aid states, have a substantial number of regulations in this area. For example, New York State mandates a minimum salary level for all school districts and has established an elaborate set of ratios between the salaries paid to classroom teachers and those of various kinds of administrators. California also has a minimum salary level. On the other hand, Michigan, also a moderate aid state, has no salary restrictions. Thus, while it appears likely that some increase in state control over salary questions may occur with increased state proportions of aid, this is by no means inevitable.

Teacher Certification. There is a substantial degree of state control over the process of teacher certification in all of the states studied. With the exception of Delaware and New York, where statutes permit a state educational body to delegate a portion of its certification powers to local bodies, every state studied gives the state, usually the State Board of Education, exclusive power to grant certification. Even in Delaware and

New York, the state still exercises the primary power. For example, while New York City can establish more stringent certification requirements than those imposed by the state, it cannot reduce state requirements.

More specifically, most of the states studied have created, either by statute or regulation, detailed educational requirements necessary for a prospective teacher to obtain certification, thereby limiting the power of local boards to employ teachers with different educational backgrounds. The interest of the state in maintaining uniform minimum standards for teaching personnel apparently takes precedence over the possible competing interest of local boards in experimenting with different types of teaching personnel. The lack of local autonomy in this respect does not vary systematically with the degree of state aid.

Teacher Tenure. An analysis of teacher tenure laws in the states studied reveals no consistent relationship between restrictions placed on local boards and the percentage of state aid. Thus North Carolina, where the state provides almost 80 percent of non-federal revenues for education, allows local boards more discretion than any other state in deciding whether to rehire teachers. Kansas and South Dakota, low aid states, are relatively restrictive in requiring that dismissal of even first-year probationary teachers must be for cause. In New York and Michigan, on the other hand, the local board may dismiss probationary teachers without cause.

Collective Bargaining. There appears to be little direct relationship between the percentage of state aid and the degree of local autonomy to regulate bargaining between school boards and school employee representatives. If anything, the low and moderate aid states, with some exceptions, appear to be more restrictive in this regard.

There are three levels of state restrictions regarding collective bargaining. The most restrictive is the statute which requires school boards or other public employers to bargain with public employee unions. This kind of statute provides exclusive representation rights to the majority representative of a unit of public employees.

The second type of statute is the so-called "meet and confer" statute, which requires local boards to consult with all representatives of public employees (not just the majority representative), but does not require binding negotiations.

The third situation is the totally unregulated situation--that is, the state has no statute dealing with public employee labor relations.

Only one of the high aid states included in this study (Delaware) has the most restrictive type of bargaining arrangement--i.e., the requirement that school boards bargain with public employee unions--while three of the four low aid states have this requirement. Colorado, like North Carolina, has no regulations governing bargaining arrangements, yet these two states are at the extremes in terms of level of state funding. California and Washington are the only two states in this study with a "meet and confer" type of statute. The extent of state regulation of local school district bargaining relationships, therefore, cannot be said to bear any consistent relationship to the percentage of state aid.

TYPE V. Jurisdictional Boundaries

District Formation, Annexation, and Consolidation. With the exception of New Hampshire, all the states studied impose a rather substantial degree of state control over processes leading to the formation of new school districts or changing the boundaries of existing districts. In Delaware

and Kansas, state-supervised mandatory reorganization plans were carried out in the 1960's to consolidate districts. South Dakota also enacted some mandatory requirements for consolidation, although less extensive than those of the former two states. Local participation in district consolidation and reorganization decisions is severely limited in all states, although some states provide for a hearing upon petition of a majority of the voters in a school district with, in a few cases, the right to appeal from an adverse decision. In general, there appears to be a paramount state interest in the organization of local districts within states, regardless of the level of the state's contribution to the funding of education.

The previous pages have presented brief summaries of the variations in state controls imposed on local school districts among the ten states selected for this study. The analysis of the state laws and state education department regulations in the eleven areas examined is presented in Table 2. "Restriction scores" were then derived by weighting these state laws and regulations according to whether they imposed strong, moderate, or weak restraints on local school districts. Table 3 utilizes these restriction scores to illustrate the relative degree of local autonomy found in the ten states. As this table shows, there is little relationship between the percent of state aid and the autonomy of local school districts in the states studied.[14]

Interviews in the three high aid states were conducted to supplement this analysis. While the interviewing was not systematic, the general

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14. Only a very slight positive correlation was found between percent state aid and restriction scores--r = .06.

TABLE 2

DEGREE OF STATE RESTRICTIONS ON LOCAL SCHOOL DISTRICTS

States	I. Curricular Requirements		II. Budgetary & Taxing Restrictions			III. Federal Programs	IV. Regulations Affecting Personnel				V. Jurisdictional Boundaries
	Textbook Selection	Mandatory Courses	Budget Expenditure Limitations	Tax Limitations	Bonded Indebtedness Limitations	Title I	Salary Regulations	Teacher Certification	Teacher Tenure	Collective Bargaining	District Formation and Consolidation
HIGH STATE AID											
North Carolina	Moderate	Moderate	Moderate	Weak	Moderate	Weak	Strong	Strong	Weak	Weak	Strong
Delaware	Moderate	Moderate	Strong	Weak	Moderate	Weak	Strong	Moderate	Weak	Strong	Strong
Washington	Weak	Moderate	Moderate	Moderate	Strong	Weak	Weak	Moderate	Weak	Moderate	Moderate
MODERATE STATE AID											
New York	Moderate	Strong	Strong	Strong	Strong	Moderate	Strong	Strong	Strong	Strong	Strong
Michigan	Weak	Weak	Weak	Strong	Moderate	Strong	Weak	Strong	Weak	Strong	Strong
California	Strong	Strong	Strong	Moderate	Strong	Strong	Strong	Moderate	Strong	Moderate	Strong
LOW STATE AID											
Kansas	Moderate	Moderate	Strong	Moderate	Moderate	Moderate	Weak	Strong	Moderate	Strong	Strong
Colorado	Weak	Moderate	Strong	Strong	Moderate	Weak	Weak	Moderate	Moderate	Weak	Strong
South Dakota	Weak	Moderate	Weak	Strong	Strong	Weak	Weak	Strong	Weak	Strong	Moderate
New Hampshire	Weak	Weak	Weak	Weak	Strong	Weak	Weak	Moderate	Moderate	Strong	Weak

TABLE 3

PERCENT STATE AID COMPARED WITH STATE CONTROLS

State	% State Aid* (1969-1970)	Restriction Scores	Ranking (High State Controls)	Ranking (High State Aid)
New York	48.7%	31	1	4
California	39.4%	30	2	6
Kansas	33.2%	25	3	7
Delaware	77.0%	23	4	2
Michigan	46.9%	22	5	5
Colorado	30.1%	21	6	8
South Dakota	14.8%	21	6	9
North Carolina	77.8%	21	6	1
Washington	60.6%	19	7	3
New Hampshire	8.7%	17	8	10

*State share of non-federal education revenues derived from Table 9 in National Education Association, Research Division, Estimates of School Statistics, 1970-71, Research Report 1970-R15, Washington, D.C., The Association, 1970. State aid figures for 1969-70 were used for this analysis inasmuch as the state laws and regulations examined were largely those codified as of 1970.

impression conveyed by the local school district officials interviewed was that the high percent of state funding did not affect the degree of autonomy permitted local school districts. Several officials in Delaware and North Carolina did feel somewhat hampered by the state procedures or formulas for allocating personnel and would have preferred more freedom to shift positions among categories of personnel.

INNOVATION AND LOCAL AUTONOMY

Increased restrictions on local school district decision-making, as was shown in the previous section, do not necessarily follow higher percentages of state aid, despite the widely shared belief that higher levels of state aid mean increased state control over all aspects of education. A related concern, also widely shared, is that innovation in education will be inhibited if the raising of local revenues, particularly in wealthy districts, is restricted. Thus this paper briefly examines the extent to which greater state financial involvement affects the adoption of innovative educational practices. To help answer that question, data from a 1967 study[15] of innovative educational practices adopted by local school districts were related to the analysis of state-imposed restrictions by outlined in the preceding section.

That study, by Gordon Cawelti, reports the results of a survey of 7,237 accredited high schools in all 50 states and the District of Columbia. The survey used a somewhat arbitrary list of 27 innovative practices, grouping

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15. Gordon Cawelti, "Innovative Practices in High Schools: Who Does What and Why--and How," Nations Schools, 79: 56-89, April 1967.

these innovations into three categories: curriculum innovations (e.g., use of Chemical Bond Approach materials in teaching chemistry or use of the Earth Science Curriculum Project materials); technological innovations (e.g., language laboratories or programmed instruction); and organizational innovations (e.g., team teaching or the non-graded approach). Based on the responses to the survey, Cawelti gave each state an innovation score based on the number of innovations adopted by all reporting high schools in that state from the list of 27 innovative practices compiled by the researchers.

Table 4, which presents data from the Cawelti study for the ten states examined in this paper shows that the adoption of innovative practices, far from being suppressed by a higher percentage of state funding, appears to parallel somewhat the level of state aid. North Carolina, with high state aid and a low innovation score, is the one major exception. The highest innovation scores are found in two moderate aid states (New York and California) and in two high aid states (Delaware and Washington).[16] It can be said, therefore, that innovation is not stifled by higher percentages of state funding and indeed may be encouraged by it. This conclusion is reinforced by reference to Hawaii, where schools are operated with 100 percent state support. Hawaii's innovation score, according to the Cawelti study is 7.5. Thus, it would rank 4th, just below California and Washington and well above Colorado among the sample states in this study.

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16. A weak positive correlation between high innovation scores and a high level of state funding was found--r = .39 (not significant at the five percent level.)

TABLE 4

PERCENT STATE AID COMPARED WITH INNOVATION SCORES

State	% State Aid* (1966-1967)	Innovation Score	Ranking (High Innovation)	Ranking (High State Aid)
New York	48.6%	8.5	1	5
Delaware	80.7%	7.9	2	1
Washington	61.4%	7.8	3	3
California	41.2%	7.8	3	6
Colorado	29.2%	6.9	4	8
Michigan	50.5%	6.7	5	4
New Hampshire	10.5%	6.5	6	10
North Carolina	74.7%	5.3	7	2
Kansas	33.7%	4.8	8	7
South Dakota	17.9%	3.4	9	9

*State share of non-federal education revenues are derived from data in NEA, Research Division, Rankings of the States, 1967, Research Report 1967-RI, Washington, D.C., The Association, 1967. Data for 1966-67 were utilized for this analysis inasmuch as Cawelti's survey of innovative practices was undertaken in 1966.

LOCAL AUTONOMY AND LEVEL OF EXPENDITURES PER PUPIL

In order to further understand the differences among the states in terms of innovation scores and degree of state controls, a fourth variable, the absolute dollar amount expended per pupil, was examined. Tables 5 and 6 rank the states by average expenditures per pupil and relate this factor to the percentage of state funding, restriction scores, and innovation scores.

Tables 5 (a) and (b) suggest that the extent of state controls is somewhat related to the absolute per pupil expenditure levels. New York has both the highest restriction score and the highest level of per pupil expenditures. In contrast, three low spending states, New Hampshire, South Dakota and North Carolina, all have relatively low restriction scores. While these patterns are not entirely consistent, viz. the cases of Washington and Kansas, the conclusion from this analysis is that generally, in the states included in this study, state controls over local school districts increase as the absolute dollar expenditure levels increase.[17]

The importance of absolute dollar expenditure levels is further demonstrated by Tables 6 (a) and (b). States with high average per pupil expenditures, such as New York, Delaware, and California, all have high innovation scores, while low spending states, including South Dakota,

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17. A positive correlation between higher expenditures and increased state controls was found--r = .67, significant at the five percent level.

TABLE 5 (a)

AVERAGE PER PUPIL EXPENDITURES COMPARED WITH STATE CONTROLS

State	Average Per Pupil Expenditures* (1969-70)	Restriction Scores	Ranking (High State Controls)
New York	$1,250	31	1
Delaware	899	23	4
Michigan	842	22	5
Washington	777	19	8
California	744	30	2
Kansas	726	25	3
Colorado	719	21	6
New Hampshire	700	17	9
South Dakota	656	21	6
North Carolina	584	21	6

TABLE 5 (b)

RANKINGS: EXPENDITURES, CONTROLS, PERCENT STATE AID

State	High Per Pupil Expenditures	High Restrictions	Percent State Aid
New York	1	1	4
Delaware	2	4	2
Michigan	3	5	5
Washington	4	8	3
California	5	2	6
Kansas	6	3	7
Colorado	7	6	8
New Hampshire	8	9	10
South Dakota	9	6	9
North Carolina	10	7	1

* National Education Association, Research Division, Estimates of School Statistics, 1970, Research Report 1970-R15, Washington, D.C., The Association, 1970.

TABLE 6 (a)

AVERAGE PER PUPIL EXPENDITURES COMPARED WITH INNOVATION SCORES

State	Average Per Pupil Expenditures* (1966-67)	Innovation Scores	Ranking (High Innovation)
New York	$912	8.5	1
Delaware	629	7.9	2
California	613	7.8	3
Michigan	583	6.7	5
Washington	581	7.8	3
Colorado	571	6.9	4
Kansas	533	4.8	8
New Hampshire	523	6.5	6
South Dakota	467	3.4	9
North Carolina	411	5.3	7

TABLE 6 (b)

RANKINGS: EXPENDITURES, INNOVATIONS, PERCENT STATE AID

State	High Per Pupil Expenditures	High Innovations	High Percent State Aid
New York	1	1	4
Delaware	2	2	2
California	3	3	5
Michigan	4	5	3
Washington	5	3	6
Colorado	6	4	7
Kansas	7	8	8
New Hampshire	8	6	10
South Dakota	9	9	9
North Carolina	10	7	1

* National Education Association, Research Division, Rankings of The States, 1967, Research Report 1967-RI, Washington, D.C., The Association, 1967.

Kansas, and North Carolina, have low innovation scores. The incidence of innovation, therefore, appears to be a function of actual dollars spent.[18]

Together, Tables 5 and 6 suggest that the percentage of state funding relative to total non-federal education support is not a good predictor of the degree of local autonomy or the incidence of innovation. However, higher statewide average expenditures per pupil do correspond to some extent with greater state controls over local districts and with significant increases in the rate of adoption of innovative educational practices.

SUMMARY AND CONCLUSIONS

The implications drawn from the analyses outlined in this paper may be summarized as follows:

1. The extent of state controls over local district decision-making has no direct relationship to the percent of state funding.

2. With the exception of North Carolina, higher percentages of state funding appear to be somewhat more conducive to innovations.

3. The rate of adoption of innovative educational practices is generally higher in states which spend more per pupil in absolute dollars. This relationship is much stronger than that between rate of innovation and level of state funding.

4. The extent of state controls appears to be somewhat related to increased per pupil expenditures, with Washington being an exception.

The lack of empirical data to prove or disprove the widely-shared belief that increasing the level of state aid will mean increased state

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18. The correlation coefficient relating the rate of adoption of innovative educational practices to higher dollars per pupil is 172, significant at the two percent level.

control over all aspects of education and will inhibit innovation in education has inhibited discussion of education finance reform. The foregoing analysis, while a beginning in this area, is preliminary and tentative. This study of ten states has suggested that increased state funding (1) does not lead to substantial state restrictions on local school district decision-making, and (2) does not stifle the initiative of local school boards to adopt innovative educational practices. The availability of a higher percentage of state aid, and even more importantly, higher total expenditures per pupil, seems to encourage the adoption of innovative educational practices while not seriously limiting local school district autonomy in the eleven areas examined in this study.

Before any firm conclusions can be drawn, however, as to whether a significantly greater financial commitment to schools on the part of a state will or will not mean a simultaneous change in the degree of state controls imposed on local school districts, further analysis would have to be undertaken. For example, an examination of how and whether the laws and regulations reviewed in this study are actually implemented and administered should be undertaken. Secondly, since there are indications that certain characteristics of a state--such as its degree of urbanization and industrial development, its income differences, the structure of government--may be more important variables in explaining the degree of state control over local school districts than the level of state aid, the relationship between the socio-economic and political characteristics of a particular state and the degree of state controls should also be investigated. Finally, in addition to examining states which have historically provided a high share of total non-federal education revenues (such

as North Carolina or Delaware), states which have relatively recently experienced significant increases in the state share of financing of education should be examined to determine whether, concomitantly, their state legislatures substantially increased the restrictions imposed on local school boards.

STATE LAWS AND REGULATIONS

California	Laws: State of California, Education Code (rev., 1969).
	Regulations: California Administrative Code (rev., 1969), Title 5.
Colorado	Laws: Colorado Revised Statutes 1963 (rev., 1969), Chapter 123.
	Regulations: none available.
Delaware	Laws: Delaware Code (rev., 1970), Title 14.
	Regulations: none available.
Kansas	Laws: Kansas Statutes Annotated (rev., 1970), Chapter 72.
	Regulations: none available.
Michigan	Laws: Compiled Laws of 1948, State of Michigan (rev., 1968).
	Regulations: Administrative Code of 1954, State of Michigan (rev., 1968)
New Hampshire	Laws: New Hampshire Revised Statutes Annotated (rev., 1969).
	Regulations: Miscellaneous regulations issued by the Department of Education, State of New Hampshire.
New York	Laws: McKinney's Consolidated Laws of New York, Annotated, Book 16--Education (rev., 1970).
	Regulations: Official Compilation of Codes, Rules and Regulations of the State of New York, Title 8: Rules of the Board of Regents and Regulations of the Commissioner of Education (rev., 1970).

North Carolina	Laws: General Statutes of North Carolina (rev., 1969), Chapter 115.
	Regulations: none available.
South Dakota	Laws: South Dakota Consolidated Laws (rev., 1970), Title 13.
	Regulations: Administrative Manual for South Dakota Schools (1970).
Washington	Laws: Revised Code of Washington (rev., 1969), Title 28A.
	Regulations: Rules and Regulations of the State Board of Education of Washington (rev., 1970).